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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 000128

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TAGS: <u>PGOV</u> <u>PREL</u> <u>RP</u>

SUBJECT: ARROYO CONGRATULATES PRESIDENT OBAMA, PRAISES

"SPECIAL RELATIONSHIP" WITH THE U.S.

REF: A. MANILA 0012 (AMBASSADOR DISCUSSES POLITICAL ISSUES WITH FOREIGN SECRETARY)

1B. 07 MANILA 2488 (AMBASSADOR URGES RAPID RESOLUTION TO MILITARY OPERATIONS)

Classified By: Ambassador Kristie A. Kenney, reasons 1.4 (b) and (d).

11. (SBU) SUMMARY: In a remarkable, heartfelt speech on the morning of President Obama's inauguration, President Gloria Macapagal-Arroyo warmly welcomed the new American President to the world stage, praising the "special relationship" between the Philippines and the U.S. and recalling the deep historical ties and unique cultural connections that bind the two countries together. "There is no greater ally for the Philippines than the United States," Arroyo stated in her laudatory remarks at the January 20 new year's event for the diplomatic corps in Manila, to an audience of senior Philippine officials and members of Congress. outlined her administration's achievements in 2008, including having shielded the country from the brunt of the global financial crisis, and her goals for 2009, most notably restarting peace talks with Muslim insurgents. follow-on private conversation, the Ambassador told President Arroyo she was touched and honored by the remarks, which symbolized an "extraordinary moment" between the two countries. END SUMMARY.

ARROYO WELCOMES PRESIDENT OBAMA TO THE WORLD STAGE

12. (SBU) Demonstrating her warmth of feeling for the United States and its new leader, President Arroyo dedicated several minutes of a January 20 speech to praise the "special relationship" between the Philippines and the U.S. "Our ties run deep, "Arroyo said, noting that "over two and a half million Americans are of Filipino descent," and have shared long histories that include fighting "side by side" in "We look forward to working conflicts since World War II. with the new President and we welcome him to the world stage," Arroyo continued, adding that "There is no greater ally for the Philippines than the United States." The remarks, made at an event honoring the Manila diplomatic corps in front of key Philippine Congressional leaders and administration officials, highlighted Arroyo's desire to maintain a close relationship with the new U.S. President, who, Arroyo noted, had "made clear" to her in conversations both before and after the U.S. elections that such a special relationship would continue "unabated." In a follow-on private conversation with Arroyo, the Ambassador said she was touched and honored that Arroyo dedicated a portion of her speech to the U.S.-Philippine relationship. She thanked President Arroyo for her heartfelt remarks, agreeing that the Philippines and the U.S. had an enduring, special friendship. The Ambassador said that Arroyo's congratulatory letter to

President Obama had been transmitted to Washington, as had the congratulatory letter from Philippine Defense Secretary Gilberto Teodoro to his counterpart, U.S. Defense Secretary Robert Gates.

ARROYO SKETCHES 2008 SUCCESSES, 2009 AGENDA

13. (SBU) Arroyo took advantage of the assembly of ranking Congressional leaders to tout her administration's key successes in 2008 and recent years, particularly its economic successes, including avoiding the "full brunt" of the economic downturn, managing the rice shortage, modernizing the agricultural sector, improving and expanding infrastructure, reducing human rights violations, and improving healthcare and social programs, particularly for the poor. Her focus for 2009, she said, will be upgraded infrastructure, expanded social protections, and ensuring sustainable growth during the global economic crisis. On human rights, Arroyo said that the government would continue its efforts against the killing of activists and journalists, human trafficking, and the abuse of overseas Filipino workers. Arroyo emphasized that the government would not be "complacent" with its achievements, but would push to accomplish more in the coming year.

COMMITTED TO PEACE PROCESS WITH MUSLIM REBELS

14. (SBU) Arroyo also outlined her commitment to resuming peace talks with Muslim insurgents, saying that 2009 would be a "comeback year for peace." She indicated that Philippine

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government negotiators and the Moro Islamic Liberation Front (MILF) have been communicating to schedule the resumption of talks, and she has instructed the government peace panel to look at ceasefire-related issues and accelerated development projects for Mindanao. To ensure all voices and perspectives are included in this new phase of talks, the government will utilize "authentic consultation," a form of broad dialogue to include input from other peace stakeholders in affected communities and civil society. In its interaction with the MILF, and to help that group transition away from militancy, the government will employ disarmament, demobilization, and reintegration as a new paradigm. Arroyo said the government will continue to seek the involvement of international partners in the peace process, like the Organisation of the Islamic Conference, Europe, and the U.S., in addition to the Malaysian facilitators and the three countries in the International Monitoring Team, Brunei, Japan, and Libya.

15. (C) At a private January 15 breakfast with the Ambassador, in a preview to Arroyo's remarks, Presidential Peace Process Adviser Hermogenes Esperon noted that the government was back-channeling with the MILF and reaching out to Kuala Lumpur to discuss ways to move forward. Realistically, Esperon said, talks would not begin before April, giving the Philippine government time to end the current fighting in Mindanao, reframe Malaysia's role as that of facilitator and enabler rather than as a channel for negotiation, and explore the creation of a two-part International Monitoring Team to focus separately on security and economic issues. The Ambassador cautioned Esperon that a quicker return to the negotiating table could improve the security situation, and suggested that the government not delay in resuming talks.

COMMENT

16. (C) Arroyo's comments at a major annual diplomatic event -- whose audience included leading members of the Philippine House and Senate -- could not have been a greater public affirmation of U.S.-Philippine ties. Her mention of President Obama's inauguration was no accident; according to a senior palace official, the overture to President Obama to

maintain the "special relationship" with the Philippines was explicit and purposeful. As illustrated in Arroyo's glowing remarks, and as the U.S. has repeatedly demonstrated in the Philippines through foreign assistance, military cooperation, and special support during this country's perennial natural disasters, the U.S. remains the closest friend of the Philippines, reinforced through our nations' deep cultural connections. As Arroyo enters her last 18 months in office, our bilateral relationship is poised to continue its positive development.

KENNEY